inherent nature of its products which are highly inflammable and susceptible to fire and explosion.

(b) Government accords the highest priority on Health & Safety and has set up a Safety Council assisted by the Oil Industry Safety Directorate (OISD) which formulates and coordinates the implementation of measures aimed at enhancing safety in the oil and gas industry in the country.

(c) Information is being collected and will be laid on the Table of the House.

(d) Government regulates the safety aspects of the oil & gas industry through various Acts *i.e.* Petroleum Act, Explosives Act, Oil Fields (Regulation and Development) Act, 1948, etc. and various Rules framed under these Acts. Public sector undertakings (PSUs), as responsible PSUs, accord the highest priority to the safety of the lives of persons engaged in such operations as also the safety of assets and installations of companies. For this, oil PSUs are taking necessary measures. Regular safety audits, both internal and by external agencies, are conducted to identify gaps and the audit recommendations are implemented to enhance the safety system and safety management. Safety systems and procedures are also updated from time to time. Mock drills are carried out the personnel imparted safety training.

(e) Safety system and meausres are part of the systems design, and are provided at the time of commissioning of projects. Oil PSUs ensure safety right from the planning & design stage of a project to its construction, operation and maintenance. Hence, the estimated annual amount likely to be spent on such measures is not maintained separately, and depends on the requirements of projects.

Dividend of oil refineries

†2905. DR. MURLI MANOHAR JOSHI:
SHRI RAM JETHMALANI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

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†Original notice of the question was received in Hindi.

(a) whether it is a fact that the dividend of oil refineries in the country is increasing despite the rise in the prices of crude oil;

(b) if so, the details in this regard; and

(c) the details of the increase in dividend rate during the years 2003-04, 2004-05 and in the first three months of 2005-06, separately?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) The profitability and resultant dividend of the stand alone refineries *viz* CPCL, KRL, NRL, BRPL and MRPL is basically dependent on the differential of their product realization prices and crude oil cost. With the increase in the prices of the petroleum products in the international market, coupled with widening differential between crude oil prices and petroleum product prices, the refineries have been able to register better gross margins. However, the Integrated Oil Marketing and Refining companies *viz* IOC, HPCL and BPCL have been hard hit, because although their procurement cost have gone up due to higher refinery transfer prices, the retail selling prices of major petroleum products have not increased commensurately. This would affect their profitability and hence their capacity to pay dividend.

The dividend is not declared on quarterly basis. Therefore, no dividend has been declared by these oil companies during first three months of 2005-06. The details of the dividend declared during 2003-04 and 2004-05 and percentage increase over the previous year are as under:

Name of the PSU	2003-04		2004-05	
	Dividend declared (Rs Crore)	%change over previous year	Dividend declared (Rs Crore)	%change over previous year
IOC	2453	8.6	1694	(-)30.9
HPCL	746.81	(-)2.8	509.00	(-)31.8
BPCL	525	16.6	375	(-)28.5
CPCL	74.46	42.7	178.71	140.0
KRL	166	20.2	78	(-)53.0
NRL	64.74	22.2	125.06	93.1
BRPL	154	185.1	240	55.8
MRPL*	-	-	175.26	-

*MRPL had not declared any dividend prior to 2004-05.